

6463-1

11 February 1987

MEMORANDUM FOR: Chief, Production & Services
Contract Branch, Procurement Division, OL

ATTENTION:

FROM:

Chief, New Building Project Office, OL

SUBJECT: Reduction of Withholding

REFERENCE: Memo for C/P&SCB fm C/NBPO, dtd 30 Jul 86, Same Subject

1. It is my understanding that your office has not yet acted on the request contained in the referent. The situation as of 19 January 1987 is that there is no outstanding work to be performed by SH&G under the fixed price increments (01, 02, 03, 04, and 06) of their contract. At the present time, the Government is retaining \$115,963.09, plus 10 percent of each monthly invoice for increment 05. Billings under increment 05 consist of actual expenses (salaries, applicable overhead, G&A, profit) and direct costs.

2. Based on SH&G's continued satisfactory performance and the fact that increment 05 is in effect a cost plus service, it is requested that SH&G be allowed to invoice for all except \$20,000 of the amount retained by the Government. It is further requested that the monthly withholding be reduced from the present 10 percent level to 5 percent.

3. Should you have any questions regarding this request, please contact

OL/NBPO

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Orig - Adse

- 1 - OL/NBPO Subject
- 1 - OL/NBPO Chrono
- 1 - OL Files

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